

MORGAN, LEWIS & BOCKIUS LLP
William D. Kissinger (SBN 135276)
One Market, Spear Street Tower
San Francisco, CA 94105-1596
Tel: +1.415.442.1480
Fax: +1.415.442.1001
william.kissinger@morganlewis.com

-and-

MORGAN, LEWIS & BOCKIUS LLP
Richard W. Esterkin (SBN 70769)
300 South Grand Ave.
Los Angeles, CA 90071-3132
Tel: +1.213.612.2500
Fax: +1.213.612.2501
richard.esterkin@morganlewis.com

*Attorneys for Badger Creek Limited, Double C Limited,
Kern Front Limited, High Sierra Limited, Live Oak
Limited and McKittrick Limited*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO**

In re

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☒ Affects Pacific Gas and Electric Company
☐ Affects both Debtors

** All papers shall be filed in the Lead
Case, No. 19-30088 (DM)*

Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**LIMITED OBJECTION AND
RESERVATION OF RIGHTS OF
CERTAIN PPA COUNTERPARTIES
TO THE PROPOSED ASSUMPTION
OF PPAS AND INTERCONNECTION
AGREEMENTS**

Hearing Date: May 27, 2020
Time: 10:00 a.m. (PST)

Courtroom: Hon. Dennis Montali
450 Golden Gate Avenue
16th Floor, Courtroom 17
San Francisco, CA 94102

1 Badger Creek Limited, Double C Limited, Kern Front Limited, High Sierra Limited, Live
2 Oak Limited and McKittrick Limited (the “**PPA Counterparties**”), hereby submit this limited
3 objection and reservation of rights to the assumption of their pre-petition Agreements (as defined
4 herein) with Pacific Gas and Electric Company (the “**Utility**”) and, in support thereof, state as
5 follows:
6

7 1. Each of the PPA Counterparties are party to certain Power Purchase and Sale
8 Agreements or Tolling Power Purchase and Sale Agreements (each, a “**PPA**”) with the Utility.
9 Each of Kern Front Limited, High Sierra Limited, Double C Limited, and Badger Creek Limited
10 are also party to certain Large Generator Interconnection Agreements (each, a “**LGIA**” and
11 collectively with the PPAs, the “**Agreements**”) with the Utility.
12

13 2. On October 21, 2019, the PPA Counterparties each filed a proof of claim [Claim
14 Nos. 77000, 78718, 79149, 79174, 79583, 79685] against the Utility, seeking not less than
15 \$2,073,334.27 for sums that the PPA Counterparties contend to be due to them under the
16 Agreements (the “**Claims**”).

17 3. On March 16, 2020, the Debtors filed the *Debtors’ and Shareholder Proponents’*
18 *Joint Chapter 11 Plan of Reorganization Dated March 16, 2020* [Dkt. No. 6320] (the “**Plan**”).
19 Under Article 8.1 of the Plan, upon the Plan becoming effective and payment of any applicable
20 Cure Amount (as defined in the Plan), certain executory contracts are deemed to be assumed.
21 Under Article 8.2(e) of the Plan, assumption of any executory contract will result in (1) the full
22 release and satisfaction of any Claims against any Debtor or defaults by any Debtor arising under
23 any assumed executory contract at any time before the date that the Debtors assume such executory
24 contract; and (2) any proofs of Claim filed with respect to an executory contract that has been
25 assumed is deemed to be disallowed and expunged.
26
27
28

4. On May 1, 2020, the Debtors filed the *Notice of Filing of Plan Supplement in Connection with Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization Dated March 16, 2020* [Dkt. No. 7037] (the "**Plan Supplement**"). The *Schedule of Executory Contracts and Unexpired Leases to be Assumed Pursuant to the Plan and Proposed Cure Amounts* (the "**Assumption Notice**") attached to the Plan Supplement as Exhibit B provides that the Utility is assuming the Agreements¹ and lists the following cure amounts:

Non-Debtor Counterparty Name	Proposed Cure Amounts		
	Natural Gas Service Agreement	Interconnection Agreement – Natural Gas-Fired Turbine	EMCL Agreement
Kern Front Limited	-	-	\$7,675.09
Badger Creek Limited	-	Not Listed	-
Double C Limited	-	-	\$6,355.77
High Sierra Limited	-	-	\$10,732.21
McKittrick Limited	Not Listed	-	\$275,868.85
Live Oak Limited	-	-	-

5. The PPA Counterparties object to the assumption of the Agreements because the cure amounts listed in the Assumption Notice are incorrect. As set forth in the Claims, the Utility is indebted to the PPA counterparties in the sums of at least \$2,073,334.27.

6. Subsequent to the PPA Counterparties' receipt of the Assumption Notice, the PPA Counterparties have engaged in discussions regarding the Assumption Notice and the cure amounts and, in order to resolve this objection, have agreed to language to be inserted in any order confirming the Plan that the Court may enter. As a result, the PPA Counterparties are filing this objection to preserve their rights in the event that the Court declines to include the agreed upon language in its confirmation order or the Court declines to confirm the Plan (as it now exists or as it may hereinafter be amended).

¹ For the purpose of this limited objection, the PPA Counterparties understand that the terms "EMCL Agreement" and "Interconnection Agreement" means the applicable PPA and LGIA, respectively.

1 Dated: May 15, 2020

MORGAN, LEWIS & BOCKIUS LLP

2
3 By: /s/ Richard W. Esterkin
4 William D. Kissinger (SBN 135276)
Richard W. Esterkin (SBN 70769)

5 *Attorneys for Badger Creek Limited, Double C*
6 *Limited, Kern Front Limited, High Sierra*
7 *Limited, Live Oak Limited and McKittrick*
8 *Limited*
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28